



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Tuesday Evening, December 06, 2016

Electricity

Transmission Line Surge Briefly Knocks Out Power to 37,000 Customers in Rhode Island, Connecticut December 5

A surge through a main transmission line on Monday afternoon knocked out power to over 30,000 National Grid customers in Rhode Island and 7,000 Eversource customers in Connecticut. According to National Grid, service was disrupted for periods ranging from 6 minutes up to an hour. The utility's communications director said National Grid crews were troubleshooting an issue at its West Kingston substation when an unplanned loss of power occurred that impacted a half dozen substations in the area.

<https://www.eversource.com/clp/outage/outagemap.aspx>

<https://www.nationalgridus.com/RI-Home/Storms-Outages/Outage-Map>

<http://www.thewesterlysun.com/news/richmondhopkinton/9698602-154/surge-knocks-out-power>

Update: Constellation's 835 MW Calvert Cliffs Nuclear Unit 2 in Maryland at Full Power by December 6

On the morning of December 5 the unit had restarted and ramped up to 10 percent. The unit was shut from full power on December 3 after hydraulic fluid leaked into the system that opens and closes turbine steam valves on the non-nuclear side of the plant.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

<http://www.exeloncorp.com/newsroom/calvert-cliffs-unit-2-offline>

Exelon's 1,131 MW Byron Nuclear Unit 2 in Illinois Reduced to 69 Percent by December 6

On the morning of December 5 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

ISO New England Says Winter Power Supply Sufficient December 5

ISO New England on Monday said electricity supplies should be sufficient to meet consumer demand for electricity this winter, but possible natural gas pipeline constraints could limit electricity production from natural gas power plants. The ISO forecasts demand this winter to reach 22,028 MW, compared with a peak last winter of 19,545 MW in February and an all-time winter peak of 22,818 MW in January 2004. In addition, the ISO implemented its Winter Reliability Program for the fourth consecutive year to incentivize gas and oil-fired power plants to procure sufficient fuel before winter begins. This year's program pays generators to buy oil and LNG, rather than pipeline gas, before the winter. In ISO New England's service territory, approximately 44 percent, or about 14,850 MW, of the total generating capacity relies on natural gas as its primary fuel, and natural gas generated 49 percent of the region's power in 2015. Since New England's network of natural gas pipelines is usually at or near capacity for commercial and residential heating customers during the winter, approximately 3,450 MW of natural-gas-fired generating capacity could face gas curtailments since generator customers have interruptible service agreements and can only be supplied after heating customers. This winter, the completion of the Algonquin Incremental Market (AIM) Project will increase pipeline capacity into the region by 342 MMcf/d, however; by next spring, the region will lose 1,500 MW of coal- and oil-fired generation that will be replaced primarily by new gas-fired generation, and no additional infrastructure to deliver or store natural gas is currently being developed.

https://www.iso-ne.com/static-assets/documents/2016/12/20161205_pr_iso-ne-managing-reliable-power-grid-operations-this-winter.pdf

Reuters, 15:36 December 5, 2016

Belle Fourche Pipeline Shut after Oil Leak in North Dakota December 5

The North Dakota Department of Health on Monday reported a crude oil leak from a Belle Fourche-owned pipeline in Billings County. State officials said the 6-inch pipeline had been shut down and an unknown volume of crude oil had leaked into Ash Coulee Creek. State officials notified the U.S. Department of Transportation's Pipeline and Hazardous Material Safety Administration (PHMSA) and placed a series of booms across the creek to prevent downstream migration. Since 2011, the Belle Fourche Pipeline has had 10 reported spills, totaling 4,848 barrels and \$2.26 million in property damage, according to PHMSA. The federal agency has also issued six warning letters to the pipeline company regarding integrity issues and safety procedures. Belle Fourche Pipeline is a 783-mile liquids pipeline. The company transports crude oil in the Williston Basin of western North Dakota and eastern Montana, and the Powder River Basin of Wyoming, according to the company website.

https://health.nd.gov/media/1571/2016-12-05-oilspillbillingsco_final.pdf

Reuters, 13:02 December 6, 2016

Houston Ship Channel Reopens after Coast Guard Moves Fire-Damaged Tanker December 5

The Houston Ship Channel, which links the busiest U.S. petroleum and petrochemical port to the Gulf of Mexico, reopened on Monday afternoon after a fire-damaged tanker was moved to a berth, the U.S. Coast Guard said. The channel was blocked for about an hour after the small tanker Jo Kiri reported smoke in its engine room, according to the Coast Guard. The Jo Kiri, which usually carries petrochemicals, was headed to the Vopak terminal in the northern section of the channel, according to Reuters vessel tracking data.

Reuters, 17:55 December 5, 2016

Update: Alkylation Unit Remains Shut at ExxonMobil's 560,500 b/d Baton Rouge, Louisiana Refinery December 6 – Sources

Sources familiar with operations at ExxonMobil's Baton Rouge, Louisiana refinery said the 18,750 b/d alkylation unit remained shut on Tuesday after a November 22 fire sent four workers to the hospital and halted the unit's production. The U.S. Chemical Safety Board (CSB) announced it launched a probe into the fire on November 23, and had sent investigators to visit the refinery, the sources said Tuesday, adding that investigators from the U.S. Occupational Safety and Health Administration were continuing to work at the refinery. An Exxon spokeswoman declined to discuss the status of the alkylation unit on Tuesday, adding that all operations were currently normal at the refinery.

Reuters, 12:45 December 6, 2016

Medallion Midstream Issues LOI to Construct 100,000 b/d Southern Delaware Basin Crude Oil Pipeline in Texas December 6

Medallion Midstream, LLC and its affiliate, Medallion Midstream Services on Tuesday announced it entered into a letter of intent (LOI) to construct a new Delaware Basin crude oil pipeline system to provide crude oil gathering and transportation services for Parsley Energy. Medallion's Delaware Basin pipeline system will initially consist of approximately 45 miles of 16-inch mainline and approximately 25 miles of smaller diameter gathering pipelines, as well as a crude oil station in Pecos County consisting of crude oil storage and truck unloading facilities. The pipeline, which is expected to have an initial capacity of 100,000 b/d, will originate in Pecos and Reeves Counties, and will terminate in Crane County at an interconnection with Medallion Pipeline Company's existing 600-mile Midland Basin header system, providing access to multiple Permian Basin long-haul take away pipelines. The parties expect to finalize and sign a definitive agreement in the first quarter of 2017, and the new crude oil pipeline is expected to start initial service in June 2017.

Reuters, 7:30 December 6, 2016

Magellan Midstream, LBC Expanding Seabrook Logistics' Crude Oil, Condensate Marine Terminal, Pipeline Infrastructure in Texas

Magellan Midstream Partners and LBC Tank Terminals on Tuesday announced plans to expand their jointly-owned Seabrook Logistics venture by increasing crude oil and condensate storage as well as pipeline assets in the Houston Gulf Coast area. Seabrook Logistics is constructing 1.7 million barrels of additional crude oil and condensate storage adjacent to LBC's existing terminal in Seabrook, Texas. In addition, Seabrook intends to connect to Magellan's Houston crude oil distribution system by constructing a 24-inch bi-directional pipeline between its storage facility and the Genoa Junction, and to invest in a new Aframax dock accommodating vessels with drafts up to 45 feet. The expansion is currently estimated to be operational in mid-2018, subject to receipt of necessary permits and regulatory approvals. In anticipation of incremental volume on Magellan's Houston crude oil distribution system, Magellan is enhancing its infrastructure by separately investing an additional \$70 million to build a new 24-inch diameter pipeline from its East Houston terminal to Holland Avenue. Magellan's new crude oil pipeline segment is also expected to be operational during mid-2018. Seabrook Logistics is also currently in the final stages of constructing more than 700,000 barrels of new crude oil and condensate storage and a new 18-inch pipeline, which will connect to an existing third party pipeline to ultimately transport crude oil to a Houston-area refinery beginning in the first quarter of 2017.

<http://www.magellanlp.com/magellannewslbc.aspx?id=82DB4C84-2C1E-4B0A-9BE7-76FE9EDA44BE>

Natural Gas

Nothing to report.

Other News

Nothing to report.

International News

Pemex Awards 8 Exploration Licenses, Partners with BHP Billiton in Mexico's First Auction for Private Offshore Oil and Gas Development in Gulf of Mexico December 5

Mexico's state-owned oil company Pemex conducted its first-ever competitive deep-water oil auction on Monday offering private oil and gas exploration licensing contracts for up to 10 blocks in the Perdido and Salina Basins in the Gulf of Mexico, as well as a separate joint venture agreement to develop the Trion field in the Perdido Basin, which Pemex had previously explored. Together, blocks containing an estimated 8.4 billion barrels of oil equivalent were awarded, which could add approximately 900,000 b/d to Mexico's production over the next decade, according to the head of the national oil regulator. Mexico's National Hydrocarbons Commission awarded all four blocks in the Perdido Basin to companies including ExxonMobil Corp, Chevron Corp, Total SA, and CNOOC Ltd, and four out of six blocks were awarded in the Salina Basin, which is less explored and therefore considered riskier to develop. Separately, Pemex selected Australia's BHP Billiton over BP as its 60 percent partner and operator of the Trion field, which holds an estimated 485 million barrels of oil equivalent (boe). Initial production from the Trion field is expected by 2023, with the project reaching peak production of about 120,000 boe/d by 2025. Monday's deep-water auction marks the beginning of a new era for Mexico's oil industry, which opened its doors to foreign competitors in 2013, ending Pemex's 75-year monopoly on the oil sector in an attempt to attract foreign investment to help reverse 12 years of oil production declines. After Monday's auction, Mexico's Oil Minister said 3 additional auctions would take place by the end of 2018 for offshore and onshore fields, including unconventional resources. Reuters, 19:15 December 5, 2016

http://www.pemex.com/en/press_room/press_releases/Paginas/2016-073-national.aspx

http://www.pemex.com/en/press_room/press_releases/Paginas/2016-074-national.aspx

<http://oilprice.com/Latest-Energy-News/World-News/Mexicos-First-Big-Oil-Tender-Here-Are-The-Results.html>

<https://www.bloomberg.com/news/articles/2016-12-05/bhp-billiton-named-as-pemex-s-first-deep-water-oil-partner>

Energy Prices

U.S. Oil and Gas Prices December 6, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	50.90	45.24	39.95
NATURAL GAS Henry Hub \$/Million Btu	3.60	2.91	2.09

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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